# Governor Kempthorne's FY 2005 Executive Budget Summary

## Base General Fund Revenue Estimates (\$ Millions)

<u>Source</u>	FY 2003	FY 2004	FY 2005
Individual Income Tax	\$837.80	\$895.80	\$962.00
% Change	0.2%	6.9%	7.4%
Corporate Income Tax	\$93.13	\$100.10	\$118.00
% Change	22.1%	7.5%	17.9%
Sales Tax	\$700.24	\$884.14	\$921.81
% Change	6.6%	26.3%	4.3%
Product Taxes	\$21.75	\$45.30	\$22.00
% Change	3.5%	108.2%	-51.4%
Miscellaneous Revenue	\$111.02	\$150.90	\$93.56
% Change	0.8%	35.9%	-38.0%
Total General Fund	\$1,763.95	\$2,076.24	\$2,117.37
Actual % Change	3.7%	17.7%	2.0%

These numbers include the impact of 2003 Legislative changes. FY 2004 Miscellaneous Revenue also includes \$50.0 million Idaho received from the 2003 Federal Tax Relief Reconciliation Act.

#### **FY 2004 General Fund Recommendation**

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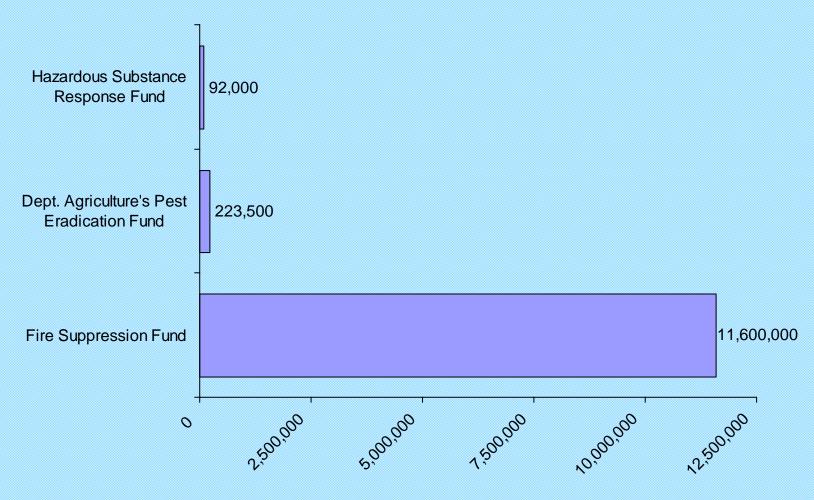
FY 2004 beginning balance	\$15,745,000
FY 2004 revenue estimate (17.7% growth rate)	2,076,240,000
Transfer to State Refund Fund for tax exemption (IC 63-3067)	(13,448,100)
Transfer to Democracy Fund (HB 460, 2003 session)	(167,000)
Transfer to Disaster Emergency Fund (Exec. Order 2003-15)	(125,000)
Transfer to School Bond Levy Equalization Fund	(377,500)
Transfers to deficiency warrant funds	(11,915,500)
Total Funds Available	\$2,065,951,900

#### **Expenditures:**

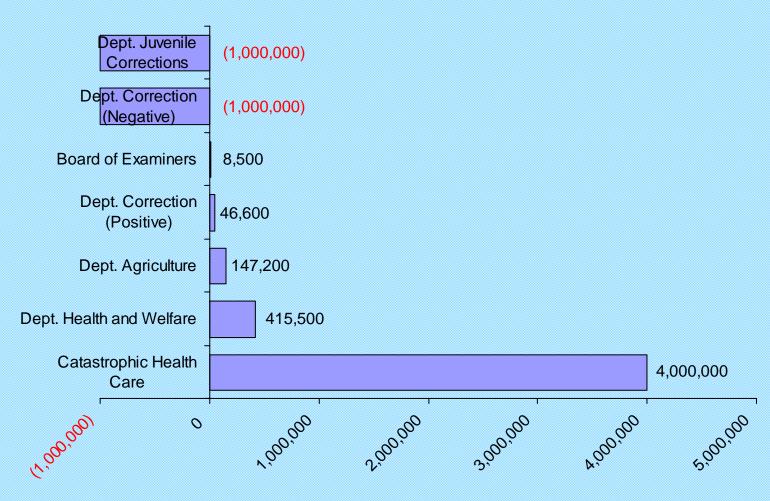
FY 2004 original appropriations	\$2,004,053,000
Prior year reappropriations	2,061,300
Recommended supplementals	2,617,800
Medicaid rate reduction savings (one-time)	(15,000,000)
Total Expenditures	\$1,993,732,100

FY 2004 Ending Balance \$72,219,800

## FY 2004 General Fund Deficiency Warrant Transfers \$11,915,500 Total



#### FY 2004 General Fund Supplementals \$2,617,800 Total



#### **FY 2005 General Fund Recommendation**

#### Revenue:

FY 2005 beginning balance	\$72,219,800
FY 2005 revenue estimate (2.0% growth rate)	2,117,368,000
Continue three tax credits provided in FY 2002	(2,550,000)
Long term health care insurance premium tax deduction	(500,000)
Transfer to State Refund Fund for tax exemption (IC 63-3067)	(13,448,100)
Transfer to Budget Stabilization Fund (IC 57-814)	(20,762,400)
Total Funds Available	\$2,152,327,300

#### **Expenditures:**

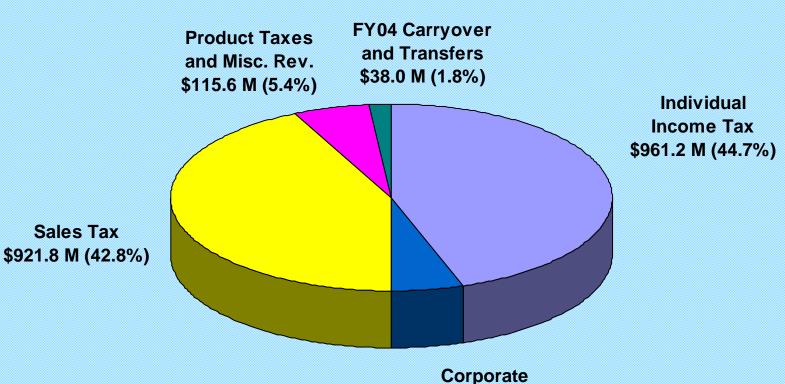
FY 2005 Base	\$1,988,807,500
Maintenance costs	82,582,400
Enhancements	12,423,400
Total Expenditures	\$2,083,813,300
FY 2005 Ending Balance	\$68,514,000

## FY 2005 General Fund Expenditure Breakdown

	State Dept.'s	Public Schools	Total
FY 2005 Base Recommendation	\$1,058,941,700	\$929,865,800	\$1,988,807,500
Personnel benefit roll-up costs	10,943,000	4,457,300	15,400,300
Operating Expenditure inflation adjustment	10,464,300	1,161,100	11,625,400
Replacement Capital Outlay	733,700	0	733,700
Nonstandard Adjustments	27,176,300	16,366,100	43,542,400
Annualizations	549,500	0	549,500
Change in Employee Compensation	10,002,100	0	10,002,100
Fund Shifts	729,000	0	729,000
Enhancements	2,421,300	10,002,100	12,423,400
FY 2005 Total Recommendation	\$1,121,960,900	\$961,852,400	\$2,083,813,300
Percent Change from FY 2005 Base	6.0%	3.4%	4.8%
Percent Change from FY 2004 Approp.	5.7%	2.0%	4.0%

#### FY 2005 Net General Fund Revenue by Source

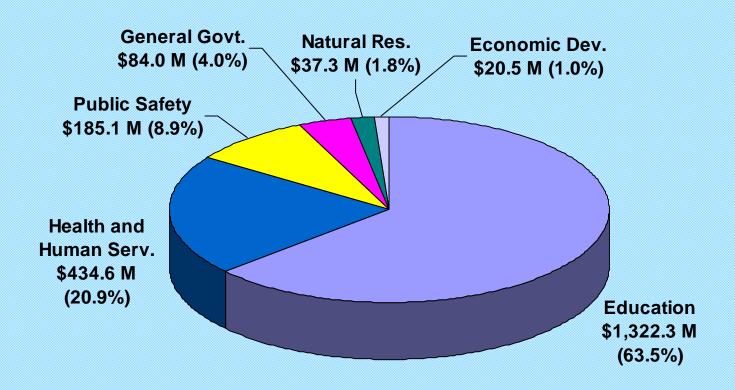
Net Revenue: \$2,152.3 Million



Income Tax \$115.8 M (5.4%)

#### FY 2005 General Fund Expenditures by State Goal

Total Expenditures: \$2,083.8 Million



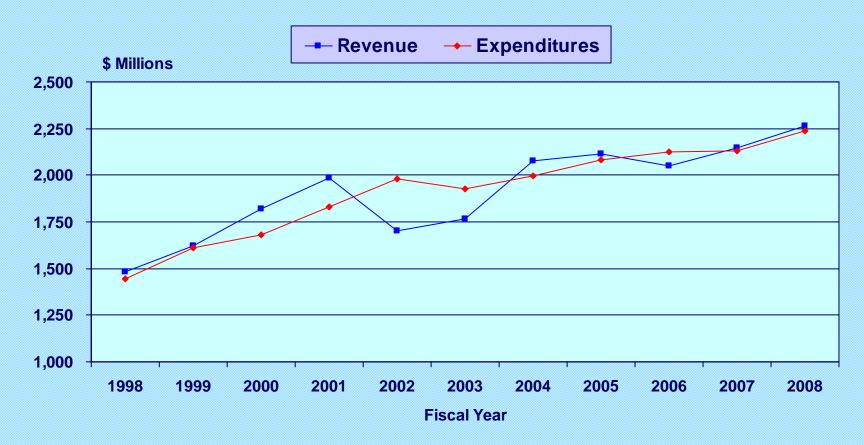
#### **General Fund Recommendations for Selected Budgets**

Entity	FY 2004 App.	FY 2005 Rec.	% Change
Public Schools	\$943,000,800	\$961,852,400	2.0%
College and Universities	218,000,000	223,366,200	2.5%
Other Education Budgets	131,339,700	137,036,100	4.3%
Medicaid	256,307,300	295,666,700	15.4%
Other Health & Human Serv. Budgets	136,796,500	138,945,300	1.6%
All Public Safety Budgets	182,100,600	185,148,900	1.7%
All General Government Budgets	80,570,000	84,038,900	4.3%
All Natural Resource Budgets	36,480,700	37,257,900	2.1%
All Economic Development Budgets	<u>19,457,400</u>	20,500,900	<u>5.4%</u>
Totals	\$2,004,053,000	\$2,083,813,300	4.0%

## Long Range General Fund Budget Projection

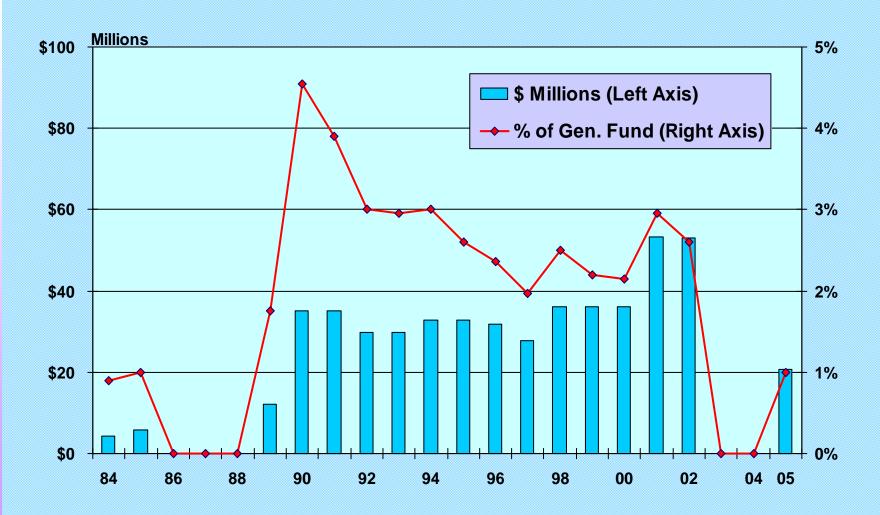
	FY 2005	FY 2006	FY 2007	FY 2008
Revenue:				
Beginning Balance	\$72,219,800	\$68,514,000	\$0	\$0
Total General Fund Revenue	2,114,318,000	2,050,283,000	2,144,820,000	2,262,930,000
Transfer to State Refund Fund	(13,448,100)	(13,448,100)	(13,448,100)	(13,448,100)
Transfer to Budget Stabilization Fund	(20,762,400)	0	0	(13,103,200)
Transfer from Econ. Recovery Fund	<u>0</u>	20,000,000	<u>0</u>	<u>0</u>
Net General Fund Revenue	2,152,327,300	2,125,348,900	2,131,371,900	2,236,378,700
Expenditures:				
Base Expenditures	2,083,813,300	2,105,348,900	2,131,371,900	2,236,378,700
Twenty-seventh Payroll	<u>0</u>	20,000,000	<u>0</u>	<u>0</u>
Total General Fund Expenditures	2,083,813,300	2,125,348,900	2,131,371,900	2,236,378,700
Projected Balance	68,514,000	0	0	0

## General Fund Revenue and Expenditure History and Projections



Revenue does not include beginning balances or fund transfers. The FY 2002 and FY 2003 budgets were balanced by using previous year surpluses and dedicated funds. FY 2006 reflects the expiration of the 6.0% temporary sales tax. FY 2006 expenditures will use FY 2004 and FY 2005 surpluses to avoid spending cuts.

## **Budget Stabilization Fund History**Reflects Amount in Fund at End of Fiscal Year



## Governor's FY 2005 Permanent Building Fund Recommendations

New FY 2005 maintenance projects	\$15,537,700
Historical Society – Idaho History Center Phase 2	4,600,000
Dept. Admin. – Purchase Idaho Falls State Office Bldg.	700,000
Dept. Correction – Statewide Long-Term Master Plan	500,000
Total	\$21,337,700

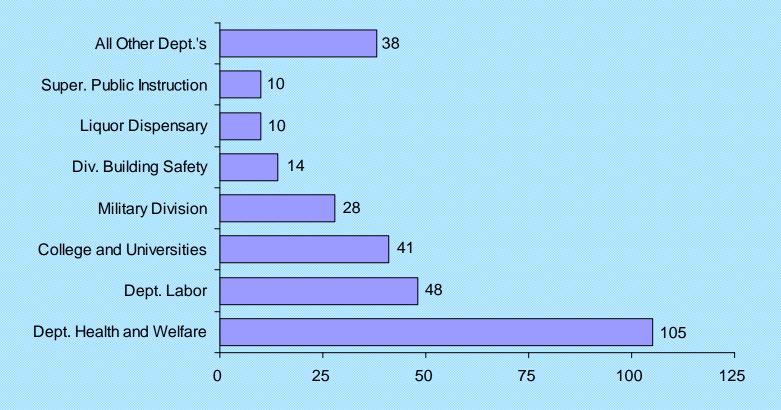
# Construction Projects Approved in 2003 Session to be Funded with Bonds (HCR 30)

Lewis Clark State College – Campus Activity Center	\$10,868,000
College of Southern Idaho – Fine Arts Addition	5,402,000
University of Idaho – Teaching and Learning Center	11,729,000
Boise State University – First Building BSU West Campus	8,655,000
Idaho State University – Multi-use Center	12,177,000
North Idaho College – Allied Health/Nursing/Life Science Building	10,994,000
Eastern Idaho Tech. College – Health Education Building	6,360,000
Idaho State Police – Meridian Training Academy Expansion	2,286,000
Total	\$68,471,000

## Governor's FY 2005 Millennium Income Fund Recommendations

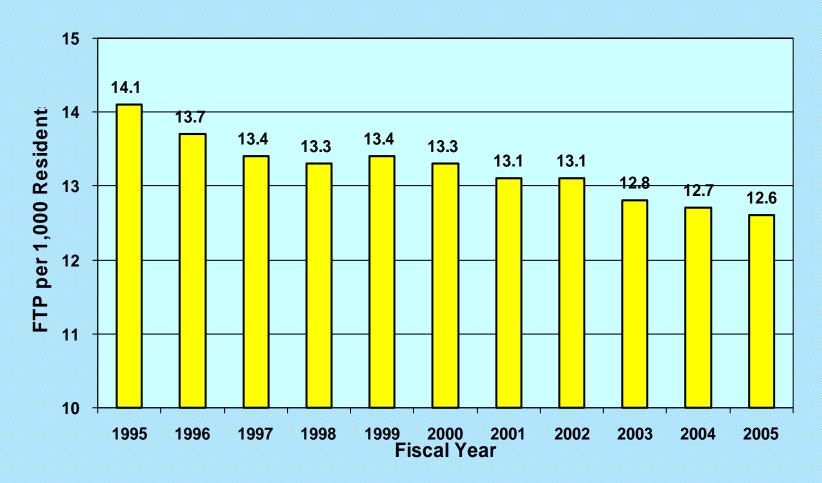
Dept. Health and Welfare – Tobacco Counter Marketing	\$500,000
Dept. Health and Welfare – Youth Tobacco-Free Coalition	60,700
Public Health Districts – Smoking Cessation Programs	515,000
Catastrophic Health Care – Reduce County Deductible	500,000
Judicial Branch – Juvenile Prevention and Diversion	270,000
Idaho State Police – Youth Tobacco Investigations	94,000
Totals	\$1,939,700

## FY 2005 Recommended Position (FTP) Change over the FY 2004 Appropriation



The total number of state positions will go from 17,087 to 17,381. This is an increase of 294. Most of the increase is occurring during the current year with federal funds.

## Number of State Positions (FTP) Per 1,000 State Residents FY 1995 – FY 2005 Governor's Recommendation



The State Insurance Fund and its 231 positions were dropped from the state budget in FY 2001.